

3 July 1974

MEMORANDUM FOR: Sidney Zabłudoff
Council on International Economic Policy

SUBJECT : CIEP's Questions on Soviet Grain
Storage Capacity

1. This in response to Dennis Wood's memorandum on Soviet Grain Storage Capacity, dated 21 May 1974. As per our telephone conversation, we have recast the questions.

2. Do we have a rough idea of USSR grain storage capacity?

Officials of the USSR Ministry of Procurement -- the agency responsible for purchasing and handling grain crops -- recently told a U.S. delegation that current storage capacity for grain, held by the Ministry, was 126 million metric tons. In addition there is "more than 100 million metric tons" of capacity on farms. We have a good idea of the types of state storage; onfarm capacity undoubtedly varies from open-air platforms to well-ventilated buildings. The accuracy of the quantity of state storage capacity could probably be checked, at least roughly, by aggregating the data regularly published by the USSR on storage capacity constructed. This, however, would be a very time consuming project.

3. What has our agricultural exchange agreement with the USSR produced along these lines?

The US delegation on wheat storage, handling, and milling was the first US group to visit the USSR under the US/USSR agricultural exchange agreement. They may be able to shed considerable light on Soviet storage problems. We have not yet received detailed information on their findings. Their favorable reception suggests more information may be forthcoming.

4. What does the agricultural attache's office know on these topics?

The agricultural attache's office participates in most meetings between U.S. agricultural delegations and Soviet officials. The office also reads the local press. However, they do not do any research into problems such as grain storage or capacity.

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5. What assumptions does USDA use on storage capacity?
We understand that USDA accepts the capacities expressed above (para. 1.) as accurate.

6. What do we know about the Soviet grain stock position?

The Soviets made it very clear to the first working group on the US/USSR agricultural exchange that the quantity of grain stocks is a state secret, subject to the official Secrets Act. Nevertheless, one official mentioned that the USSR feels stocks should "equal a year's needs." Although ambiguous in coverage, the implication is that these stocks include both centralized stocks which are primarily for food, industrial and seed uses; and farm stocks which consist of feed and some seed. This sort of general statement is corroborated in Soviet technical publications and by a statement by Khrushchev in 1958. The quantity desired in so-called "strategic" (untouchable except in an emergency) or a minimum level of stocks, however, is not known. As needs for grain increase it can be assumed that the level of all stocks wanted, and perhaps the minimum level, also would increase. Our grain balance work, currently in progress, indicates that while Soviet grain requirements have been steadily increasing, the fluctuation in grain production has meant that additions to stocks were not possible in 5 of the past 12 years. Indeed, sharp stock drawdowns were necessary in some of those years.

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USSR Branch

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[3.4 (b) (1)]

TRANSMITTAL SLIP		DATE 5 July 1974
TO: [REDACTED]		STATINTL
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REMARKS:		
<p>Please forward to Sidney Zabłudoff</p> <p><i>Copy forwarded. 9 July 74</i></p> <p>STATINTL</p>		
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1 FEB 55

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TRANSMITTAL SLIP		DATE 5 July 1974
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COUNCIL ON INTERNATIONAL ECONOMIC POLICY
WASHINGTON, D.C. 20500

TOP SECRET

May 21, 1974

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[3.4 (b) (1)]

MEMORANDUM FOR:

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[REDACTED]
Central Intelligence Agency

FROM:

DENNIS H. WOOD *DHW*

SUBJECT:

Soviet Grain Storage Capacity

I appreciate having received the recent paper you sent over on the above subject.

It would be useful if we could know more about some of the things suggested in the paper. First, however, it's important to understand what we already know and what other sources there are for obtaining such information.

Questions

- 1 ° Do we have even a rough idea of what USSR grain storage capacity is now? By categories?
- 2 ° What has our agricultural information exchange with the USSR produced along these lines? Will it produce anything?
- 3 ° What do other sources suggest?
- 4 ° What do our agricultural attaches know?
- 5 ° What assumptions is USDA using in these areas?
- 6 ° What do we already know about the other issues you raise in your paper? Particularly, what level of stocks does the USSR have now (or at any time)? What level can it comfortably store as a reserve? Is this level being increased?
- 7 ° What trade-offs are being made in pushing forward in this area? Are we, for example, cutting down on our concentration on determining what USSR grain output is likely to be by going forward with this?

Finally, it's apparent that the level of stocks and storage capacity of the USSR and other Central Plan countries are a key factors in resolving the stockpiling issues being discussed within the U.S. Government and international forums. Perhaps, after obtaining answers to the above questions, the role of the procedures you suggest can be better assessed in the light of current U.S. needs and its potential contribution.

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Question 1.

You may recall, I asked Doug if he had an USSR grain storage capacity value. I remember him saying, "no." He may, however, have a rough idea.

I have seen capacity statistics cited in JPRS and FBIS documents for a specific state farm or collective farm or sometimes a state grain procurement center. On another occasion, statistics for grain storage shortages -- not total storage capacity -- were reported in a JPRS document for only two oblast. This same JPRS report also gave a statistic for Kazakhstan: "there were 3,946 grain points with a total capacity of 16.85 million tons of grain per season." Note, however, they did not provide a total storage capacity for all seasons; of course, if they had done so along with the above data, this would disclose stockpiling information.

By categories? Again, there are some fragmentary data in the open literature on capacity by silo and long-low for a specific state farm or collective farm or state grain procurement center.

Question 2.

The bilaterals, according to a very recent paper prepared by State for the President, have not provided any information on grain reserves. The report notes that data on grain reserves are closely held secrets.

Question 3.

The other sources, as far as I know, are those listed below -- agricultural attaches and other USDA officials.

Question 4.

I don't know.

Question 5.

I don't know.

Question 6.

We don't have this information according to OER -- see OER report "The 1973 Soviet Grain Harvest," ER IB 73-16, 25 October 1973, p.9. And, obviously, if we did have we wouldn't be trying to acquire grain reserve data through the bilaterals.

We cannot assess what they can comfortably store since we don't know more precisely (or probably roughly) what their storage capability is.

One can only presume the Soviets are increasing their level of stocks since new storage construction can be observed throughout many grain growing regions of the USSR.

Question 7.

There shouldn't be any trade-offs. The grain storage work could be done completely removed from the [REDACTED] management structure. Possibly a joint project -- OBGI, IAS, NPIC, and OER.

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Remarks:

Doug:

The questions raised in this memo by CIEP's Mr. Wood in reference to the proposed Soviet Grain Storage inventory are certainly more in your baliwick than mine. I would therefore appreciate your thoughts on what kinds of answers should be sent to him, and by whom? Your shop with whatever input we can supply (see [REDACTED] comments)? Or perhaps OER's evaluation of the need for such an inventory--which we discussed briefly the other day--would serve to answer Mr. Wood's inquiries?

[REDACTED]

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Remarks: <p>As you can see from attached, I'm trying to smoke some response out of my friend [REDACTED] [REDACTED]</p>			
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Remarks: Here's some interesting comments from CIEP on [redacted] Grain Storage paper. This may be what we needed to get some action on [redacted] recommendations. We recommend you raise this memo with [redacted] and suggest that as the Agency spokesman on Agriculture, he reply to CIEP's questions. This will hopefully get OER to make a decision on the value of this type of estimative effort. Of course we must, for planning purposes, decide on what additional roles we envision for GD on this.					
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[redacted] Ch/GD/OBGI				23 May 74	
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DISTRIBUTION LIST

<u>Title of Report</u>		<u>Date</u>
An Approach to Estimating Soviet Grain Storage Capacity [REDACTED] 25X1D		30 April 1974
<u>Report No.</u>	<u>Project No.</u>	<u>Classification</u>
69.2709	RP 74-15	TCS-2566/74
<u>Name of Requester</u>	<u>Name of Analyst</u>	<u>Branch</u>
Self-initiated	[REDACTED] 25X1A	GD/X

INTERNAL

✓ Copy 1 -- DDCI, 7E12, HQ 25X1A

✓ 2 -- Special Asst. to the DCI, 7E13, HQ (Attn: [REDACTED])

3 -- IC Staff, 7E13, HQ (Attn: Lt. Gen. Daniel Graham)

4 -- George A. Carver, Jr., D/DCI/NIO, 6F19, HQ 25X1A

5 -- NIO/USSR, 7E62, HQ (Attn: [REDACTED]) 25X1A

6 -- NIO/Energy, 7E62, HQ (Attn: [REDACTED])

7 -- NIO/Economics, 6F19, HQ, (Attn: [REDACTED])

25X1A 8 -- [REDACTED] Congressional Support Officer, 7F36, HQ 25X1A

✓ 9 -- O/DDI, 7E44, HQ (Attn: [REDACTED]) 25X1A

10 -- CRS/DPSD/Doc, 1E4810, HQ

11 -- OD/OPR, 3E58, HQ

12 -- OCh/CD/OBGI

13 -- [REDACTED] 25X1A

14 -- D/NPIC, [REDACTED] 25X1A 25X1A

15 -- NPIC/New Applications Branch, 4S409 (Attn: [REDACTED])

16 -- ADD/S&T, 6E56, HQ

17 -- D/ORD/DDS&T, 606, Ames

18 -- ORD/C/CDAM, 1005 Mag. [REDACTED] 25X1A

31 -- " [REDACTED]

19 -- OSI/LSD, 5G33, HQ (Attn: [REDACTED]) 25X1A

20 -- " [REDACTED]

21 -- COMIREX Staff, 3E14, HQ (Attn: [REDACTED]) 25X1A

22 -- D/IAS, [REDACTED] 25X1A

23 -- AC/USSR/OER, 4F42, HQ (Attn: [REDACTED]) 25X1A

24 -- OBGI/GD/X

32 to 38 (Held in OBGI/GD/X (extra))

EXTERNAL

25 -- Department of State
Director of Intelligence and Research
Room 6531
New State Bldg.

26 -- Mr. David Williamson, Jr.
National Aeronautics & Space Administration
FOB-6 (Room 6001)
600 Independence Ave., S. W.
Washington, D. C. 20546

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- 27 -- Director of Intelligence
Department of the Treasury
Main Treasury Bldg. (Rm. 4328)
Washington, D. C.
- 28 -- Deputy Assistant Secretary
Policy Plans & NSC Affairs
International Security Affairs
Department of Defense
Room 4E820
Pentagon
- 29 -- Mr. William R. Gasser
ERS/FDCD
US Department of Agriculture
Room 348
500 12th Street
Washington, D. C. STOP 209
- 30 -- Mr. Dennis H. Wood
Council on International Economic Policy
National Security Council
Old Executive Office Bldg. (Room 208)
Washington, D. C. STOP 28

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1 [REDACTED] NPIC/RSG/RSD/IB - 10st '76

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GEOGRAPHY DIVISION Record of Classification Decision

15 May 1974
(Date)

25X1D

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1. Title of report, study, or map:
An Approach to Estimating Soviet Grain Storage Capacity [REDACTED]
2. Project No. and Report No. or Map No.: PN 69.2709 RP 74-15
3. Classification, control, and exempt category: TKH

4. Name of classifier: [REDACTED]

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5. Rationale for classification and exemption: [REDACTED]

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6. Sources used in report, study or map which have a bearing on
classification and exemption: [REDACTED]

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NOTE: Prepare in triplicate -- one copy
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